

# CALFED Program Oversight and Management

## Introduction

As the CALFED Bay-Delta Program moves toward implementation, Program oversight and management issues need to be addressed to assure that implementation occurs in a timely and effective manner. Many stakeholder groups have promoted the concept of creating a new entity for the management and governance of the Ecosystem Restoration Program (ERP). However, there is general agreement that before that specific question can be fully addressed, it is necessary to address the broader Program oversight and management issues.

The discussion and analysis of oversight issues can be framed by three basic questions:

1. Are there problems associated with using the current institutional structure, i.e., CALFED, as the management and implementation structure? If so, what are they?
2. What are the functional requirements for Program implementation? What does the management and implementation entity need to be able to do? What authorities will be needed?
3. Having identified the functions needed for Program management and implementation, what are the options for responding to the identified problems with the existing structure and for performance of the required functions?

## Oversight and Management Issues with the Current Structure

As currently structured, CALFED provides a forum for interagency coordination and decision making, mechanisms for formal and informal stakeholder advice to the decision makers, and support staff to generate the necessary research and documentation required to move the collaborative environmental planning process forward. However, experience with the existing structure suggests that there are problems which need to be addressed in order to assure that the CALFED Program is successfully implemented.

In addition, many believe that Program implementation would be significantly enhanced by vesting broad Program oversight and implementation functions in a single entity which would be accountable for overall Program governance and execution.

Some of these problems associated with the current CALFED structure include:

**Planning versus Implementation:** CALFED was created specifically to create a long-term plan. However, plan implementation poses significant new challenges which the current arrangement was not designed to deal with. These involve potentially much larger cash flows, addressing demanding implementation schedules, interacting with affected stakeholders, local entities, and regulatory issues in new ways, and potentially greater legal liabilities.

**Program Administration:** CALFED does not exist as a legal entity; it has no independent power to receive appropriations, hire and retain staff, establish a location for housing the Program, issue contracts, and other basic administrative functions. This will affect its long-term ability to attract and retain highly qualified staff, develop a coherent program, and carry out its duties in an efficient manner. Very substantial staff efforts are currently required to address the complex challenges of dealing with multiple budgets, personnel procedures, and resource requirements.

**Decision Making Protocol:** CALFED has not established a clear decision-making protocol. While it is generally agreed that participating agencies will not give up any independent decision making authorities to a CALFED governance entity, this leaves a broad range of Program policy and implementation issues on the table for resolution as the Program moves forward. It is likely to become increasingly important to resolve issues in a clear and unambiguous way through a consensus process, majority rule, or other option.

**Decision Making Responsibility and Input:** CALFED currently receives input through a wide variety of pathways, including the Bay-Delta Advisory Council and its work groups. There is a need to review and potentially modify the input process to address stakeholder concerns regarding overall Program governance. A fundamental issue is whether overall Program governance will be in the hands of CALFED agencies alone, or in some form be shared with stakeholders. It is clear from experience to date that the water policy issues CALFED is working to resolve are also addressed in the legislative process, with a great deal of both formal and informal interaction between the two. The extent to which this relationship is formalized and the impact on CALFED's decision making process needs to be considered and addressed.

**Budget and Funding Coordination:** CALFED funding is channeled through several different federal and state agencies. Funds for CALFED programs and projects are provided by federal appropriations, state bonds and local agencies. Budget and spending authority is decentralized. Significant efforts at interagency coordination have made this approach functional during the planning phase, but as complex programs and projects are implemented, a more efficient method of financial management may be necessary.

**Public and political accountability:** From the perspective of the public generally, it is difficult to assign specific responsibility or accountability for the success or failure of the CALFED Program. For most of the public, "CALFED" has no recognizable identity. If implementation of the Program is to be successful, it will be in large part a function of the support of voters and taxpayers and elected representatives. This support may be easier to obtain and hold if members of the public and their representatives can identify the CALFED Program with a recognizable agency or entity, rather than a shapeless mass of anonymous bureaucrats. For legislators in particular, it may be necessary to provide a focal point for legislative attention (budgets, oversight hearings) that is currently lacking in the informal CALFED arrangement.

**Task orientation:** Each CALFED agency has a mission and a set of legal duties and obligations. In some cases, this mission may be only tangentially related to the CALFED Program. In other cases, there may be substantial overlap. But in no case is the implementation of the CALFED Program coterminous with a single agency's mission or scope of authority. While this may not be essential for the success of the Program, in the

long run, it may be a significant advantage if somewhere in the federal and state agency constellation, there is an entity charged with the specific mission of implementing this Program, rather than having Program implementation be an ancillary function to other primary missions.

### **Implementation Functions**

Based on the discussions so far within the BDAC Assurances Work Group and at BDAC, a set of functions which a program manager or management entity should be able to perform can be described. Agreement on the necessary or desirable functions will facilitate the discussion on the best structure. Following is a preliminary list of functions which the CALFED management and implementation entity (whatever its legal form) should be able to perform in order to successfully direct Program implementation:

- Policy formulation — the manager should be able to develop policies which reflect the Program goals and objectives, and which are consistent with the adaptive management approach to resolving resource problems;
- Efficient decision-making — the manager should be able to act quickly and effectively in making decisions about program and project implementation, including the ability to act even in the absence of consensus among all CALFED agencies;
- Budget management — the manager should be able to develop a program budget, set budget priorities and allocate limited funds to priority projects, in a timely and efficient manner;
- Dispute resolution — the manager should be able to resolve disputes among implementing agencies or project managers on funding priorities, operational conflicts, or similar problems;
- Prioritize actions — the manager should be able to choose which projects will get funded and the order in which projects will be implemented;
- Contingency response — the manager should be able to act decisively and quickly in the event of unanticipated events which threaten to disrupt Program implementation;
- Assign responsibilities for implementation of actions — the manager should have the authority to delegate or assign projects to implementing agencies;
- Allocate resources to participating agencies — the manager should have the authority to allocate funds, assign staff, and execute contracts necessary for Program implementation;
- Coordinate actions and foster communication at all levels — the manager should be able to coordinate implementation of complex projects involving multiple agencies and stakeholder groups and provide a forum for inter-agency and stakeholder communications regarding Program implementation;

- Audit and assure implementation plan compliance — the manager should be able to take the necessary corrective action to keep the program directed at achieving its goals and objectives.
- Stakeholder communication — the manager needs to be able to provide methods and means to receive and incorporate advice and comments from stakeholder groups interested in Program implementation.
- Legislative coordination — the manager needs to be able to deal effectively with the legislature and Congress on legislation affecting Program implementation, and to respond in a timely and effective way to legislative inquiries.

To carry out these functions and address some of the concerns associated with the current CALFED structure, the management and implementation entity would need the authority to enter into contracts; directly receive appropriations and other funds without an intermediary agency; take legal action; act as a lead agency for environmental documentation; seek and hold permits; and hire staff.

### **Implementation Options**

Based on input from the CALFED Policy Group and the BDAC work groups, CALFED staff will develop various implementation and management options to be discussed at future Policy Group and BDAC meetings.